

documents must be filed by providing the original and the number of copies provided by the Commission's regulations to: The Secretary, Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426. A copy of any motion to intervene must also be served upon each representative of the Applicant specified in the particular application.

D2. Agency Comments—Federal, state, and local agencies are invited to file comments on the described application. A copy of the application may be obtained by agencies directly from the Applicant. If an agency does not file comments within the time specified for filing comments, it will be presumed to have no comments. One copy of an agency's comments must also be sent to the Applicant's representatives.

David P. Boergers,

Acting Secretary.

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DEPARTMENT OF ENERGY

Southwestern Power Administration

Sam Rayburn Dam Project Power Rate

AGENCY: Southwestern Power Administration, DOE.

ACTION: Notice of Proposed Extension.

SUMMARY: The Current Sam Rayburn Dam Project rate was approved by the Federal Energy Regulatory Commission (FERC) on December 7, 1994, Docket No. EF94-4021-000. These rates are effective October 1, 1994, through September 30, 1998. The Administrator, Southwestern, has prepared Current and Revised 1998 Power Repayment Studies for the Sam Rayburn Dam Project which show the need for a minor rate adjustment of \$3,732 (0.2 percent decrease) in annual revenues. In accordance with Southwestern's rate adjustment threshold, dated June 23, 1987, the Administrator, Southwestern, may determine, on a case by case basis, that for a revenue decrease or increase in the magnitude of two percent, deferral of a formal rate filing is in the best interest of the Government. Also, the Deputy Secretary of Energy has the authority to extend rates, previously confirmed and approved by FERC, on an interim basis, pursuant to 10 CFR Sections 903.22(h) and 902.23(a)(3). In accordance with DOE rate extension authority and Southwestern's rate adjustment threshold, the Administrator is proposing that the rate adjustment be deferred and that the current rates be

extended for a one-year period effective through September 30, 1999.

DATES: Written comments are due on or before July 10, 1998.

ADDRESSES: Written comments should be submitted to the Administrator, Southwestern Power Administration, U.S. Department of Energy, P.O. Box 1619, Tulsa, Oklahoma 74101.

FOR FURTHER INFORMATION CONTACT:

Forrest E. Reeves, Assistant Administrator, Office of Corporate Operations, Southwestern Power Administration, Department of Energy, P.O. Box 1619, Tulsa, Oklahoma 74101, (918) 595-6696.

SUPPLEMENTARY INFORMATION: The U.S. Department of Energy was created by an Act of the U.S. Congress, Department of Energy Organization Act, Pub. L. 95-91, dated August 4, 1977, and Southwestern's power marketing activities were transferred from the Department of the Interior to the Department of Energy, effective October 1, 1977.

Southwestern markets power from 24 multiple-purpose reservoir projects with power facilities constructed and operated by the U.S. Army Corps of Engineers. These projects are located in the States of Arkansas, Missouri, Oklahoma and Texas. Southwestern's marketing area includes these states plus Kansas and Louisiana. Of the total, 22 projects comprise an Integrated System and are interconnected through Southwestern's transmission system and exchange agreements with other utilities. The other two projects (Sam Rayburn and Robert Douglas Willis) are not interconnected with Southwestern's Integrated System. Instead, their power is marketed under separate contracts through which two customers purchase the entire power output of each of the projects at the dams. Following Department of Energy Order Number RA 6120.2, the Administrator, Southwestern, prepared a 1998 Current Power Repayment Study (PRS) using the existing Sam Rayburn Dam Project rate schedule. The PRS shows the cumulative amortization through FY 1997 at \$12,156,954 on a total investment of \$25,676,015. The FY 1998 Revised PRS indicates the need for a decrease in annual revenues of \$3,732, or 0.2 percent, lower than the present annual revenues.

As a matter of practice, Southwestern would defer an indicated rate adjustment that falls within Southwestern's plus-or-minus two percent rate adjustment threshold. The threshold was developed to add efficiency to the process of maintaining adequate rates and is consistent with

cost recovery criteria within DOE Order Number RA 6120.2 regarding rate adjustment plans. The Sam Rayburn Dam Project's FY 1997 (last year's) PRS concluded that the annual revenues needed to be decreased by 0.1 percent. At that time, it was determined prudent to defer the decrease in accordance with the established threshold and the current rate schedule was continued for one year. It once again seems prudent to defer this rate adjustment of 0.2 percent, or \$3,732 per year in accordance with Southwestern's rate adjustment threshold and reevaluate the ability of the existing rate to provide sufficient revenues to satisfy costs projected in the FY 1999 (next year's) PRS.

On December 7, 1994, the current rate schedule for the Sam Rayburn Dam Project was confirmed and approved by the FERC on a final basis for a period that will end on September 30, 1998. In accordance with 10 CFR Sections 903.22(h) and 903.23(a)(3), the Deputy Secretary may extend existing rates on an interim basis beyond the period specified by the FERC. As a result of the benefits obtained by a rate adjustment deferral (reduced Federal expense and rate stability) and the Deputy Secretary's authority to extend a previously approved rate, Southwestern's Administrator is proposing to extend the current Sam Rayburn Dam Project rate schedule. The schedule is to be effective for the one-year period beginning October 1, 1998, and extending through September 30, 1999.

Opportunity is presented for customers and interested parties to receive copies of the study data for the Sam Rayburn Dam Project. If you desire a copy of the Repayment Study Data Package for the Sam Rayburn Dam Project, please submit your request to: Mr. Forrest E. Reeves, Assistant Administrator, Office of Corporate Operations, P.O. Box 1619, Tulsa, OK 74101, or call (918) 595-6696.

Following review of the written comments (absent any substantive reasons to do otherwise), the Administrator will submit the rate extension proposal for the Sam Rayburn Dam Project to the Deputy Secretary of Energy for confirmation and approval.

Issued in Tulsa, Oklahoma, this 22nd day of May, 1998.

Michael A. Deihl,

Administrator.

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